

LOUISIANA DEPARTMENT OF THE TREASURY
:: Organizational Overview ::





There are many new faces this year in both state government and the Legislature, and we look forward to working with our new partners in public service. To provide an information tool for anyone who wants to learn more about what we do at the State Treasury, we have produced a condensed version of our Fiscal Year 2003 Annual Report. We hope you find this information about the Treasury and its operations helpful. Feel free to contact us at (225) 342-0010 for more information, or log on to **www.latreasury.com.**

Sincerely,

John Kennedy State Treasurer

:: Mission ::

The mission of the Department of the Treasury is to manage state funds by promoting prudent cash management and investment strategies as well as monitoring, regulating and coordinating state and local debt obligations as mandated by the Constitution and the laws of the state of Louisiana.

:: LOUISIANA TREASURY DIVISIONS ::

INVESTMENTS

The Treasury is responsible for earning a reasonable rate of return on the General Fund and other investments while maintaining safety of principal and liquidity to meet cash flow needs.

The Treasury manages several investment portfolios, each with differing characteristics. The Treasury invests the state's 529 plan (known as START), and this year will work with the Vanguard Group to offer account holders the option to invest in stocks. The Treasury also helps oversee LAMP investments for local governments, and is in charge of roughly \$3 billion in trust funds for healthcare, education and the TOPS scholarship program. One of these funds is the Louisiana Education Quality Trust Fund (LEQTF), which earned an impressive 12.1 percent rate of return in FY 2003.

FISCAL DIVISION

The Treasury acts as the state's banker and managed over \$19.9 billion in cash flow in FY 2003. The agency takes in money from taxes, fees and collections and uses it to pay for bills, state payroll and public services. The Fiscal Division administers this backbone of the state's cash management program, which entails accounting for a massive central depository bank account that pools state cash resources to provide the opportunity for the greatest investment earnings—a major source of non-tax income for Louisiana. The Fiscal Division also administers the state's constitutional and statutory funds created within the Treasury, which includes providing an accounting of all receipts and controlling fund disbursements.

:: LOUISIANA TREASURY DIVISIONS ::

STATE BOND COMMISSION

The Treasurer serves as chair of the Louisiana State Bond Commission, which centralizes and administers the incurring of state debt. The commission is charged with approving the issuance of bonds by various political subdivisions of the state, and it receives applications from parishes, municipalities, special taxing districts, and other political subdivisions of the state requesting authority to incur debt or levy taxes. During FY 2003, the Bond Commission approved more than 220 bond issues (including re-financings), the proceeds of which were used to build and improve infrastructure, create thousands of Louisiana jobs, provide affordable education, and save over \$128 million for taxpayers.

UNCLAIMED PROPERTY

Treasury is responsible for holding unclaimed money that Louisiana businesses turn over to the state. It then works diligently to return the money to its rightful owners. Unclaimed property can include payroll checks, insurance proceeds,

tax refunds or a variety of other types of money that can be misplaced, lost or forgotten about. The Treasury also works to educate businesses about their responsibilities under the law to turn unclaimed property over to the state. In FY 2003, the Treasury's Unclaimed Property Division collected over \$27.6 million in unclaimed property from businesses and refunded a record \$12.9 million.

SOCIAL SECURITY ADMINISTRATION

The Treasury's Social Security Division is responsible for administering the Social Security and Medicare coverage program for all state and local (public) governmental employers throughout the State of Louisiana. A significant part of the Division's responsibilities is to assist all of Louisiana's public employers by serving as a facilitator and communication bridge between those employers and the United States Social Security Administration (SSA) and Internal Revenue Service (IRS), which are the two principal federal agencies responsible for coverage, benefits, and tax withholding associated with Social Security and Medicare.

THE LOUISIANA TREASURY

RECEIPTS (MONEY IN)

EXAMPLES:

- State Tax Dollars
- Fees
- Federal Dollars



BANKING & INVESTMENTS



THE TREASURY PERFORMS THE FOLLOWING ROLES:

- 1. Banking—checking and savings accounts for the state of Louisiana and its agencies.
- 2. Accounting—allocating money and earnings to one of the 300+ special funds.
- 3. Investment Management—buying bonds and stocks to earn interest dollars on money saved or kept in the Treasury.

THE TREASURY IS JUST LIKE THE STATE'S OWN BANK, PLUS A FEW EXTRA SERVICES! WE SAFEGUARD DEPOSITS AND EARN INTEREST WHILE THE MONEY IS WITH US AND TRACK THE DAILY FLOW OF CASH IN AND OUT.

DISBURSEMENTS (MONEY OUT)

EXAMPLES:

\$ FROM TREASURY

- State agency operation & payroll
- Payment of vendors
- Providing public services (healthcare, law enforcement)

BOND COMMISSION (FUNDRAISING)



THE BOND COMMISSION RAISES CAPITAL FOR PUBLIC PROJECTS BY ISSUING DEBT IN THE FORM OF STATE BONDS.

FACTS ABOUT THE TREASURY:

- It cost \$3,366 per hour to operate the Treasury in FY 2002-03, and the Treasury earned \$117,350 per hour in investment income in FY 2003.
- Treasury managed an average of \$5.5 billion in monies in FY 2003.
- Treasury's General Fund investment portfolio's cumulative income reached the \$3 billion mark in June 2003.
- Treasury is the smallest staffed state department with 55 employees.

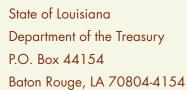
- Treasury managed over 313 statutory and constitutionally created funds in 32 separate investment portfolios earning \$244.1 million in FY 2003.
- Treasury utilizes a central cash management pooling concept to gain maximum investment of monies in Treasury. Through the centralized pooling of deposits, Treasury processed over 4.7 million deposit items and 73,000 credits totaling over \$19.9 billion in FY 2003.
- Treasury managed 14 General Obligation debt issues with debt service of over \$299 million in FY 2003.

UNCLAIMED PROPERTY (UCP) (LOST & FOUND)



THE UCP DIVISION FINDS LOST OR FORGOTTEN
MONEY BELONGING TO LOUISIANA CITIZENS
& BUSINESSES AND WORKS TO RETURN THE
MONEY TO ITS OWNER(S).

:: Treasury Contact Information ::



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